

INTRODUCTION

1.1 BACKGROUND

San Diego Gas & Electric (SDG&E) applied in 1979 to the Economic Regulatory Administration (ERA) of the U.S. Department of Energy (DOE) for a Presidential Permit. The Presidential Permit was required to construct, maintain, and operate a 230 kV transmission line from SDG&E's Miguel substation to the international border where the line connects to the Comision Federal de Electricidad (CFE) de Mexico transmission system. SDG&E applied for the Presidential Permit in accordance with Executive Order 10485 dated September 3, 1953. Additionally, Executive Order 12038 states that before a Presidential Permit may be issued, the action must be found to be consistent with the public interest. The two criteria used by DOE to determine if a proposed project is consistent with the public interest are:

1. Environmental impact (assessed in accordance with the National Environmental Policy Act [NEPA] of 1969); and
2. Impact on electric reliability.

After compliance with NEPA and satisfaction of the electric reliability criteria, Executive Order 12038 requires DOE to obtain concurrence from the Secretary of State and the Secretary of Defense before a permit may be issued.

DOE and the California Public Utilities Commission (CPUC) issued a Final Environmental Impact Statement/Environmental Impact Report (DOE/EIS-0067/CPUC-A-59172; SCH-7905 1403) for SDG&E's proposed 230 kV international transmission line in October 1980. The proposed action was approved, Presidential Permit 68 was issued, and construction of the 230 kV transmission line was completed in 1981.

Otay Mesa Generating Company, LLC (OMGC) proposes to construct a nominal 510 megawatt (MW) combined cycle, natural gas-fired power plant on east Otay Mesa in southwestern San Diego County adjacent to the existing Miguel-Tijuana 230 kV transmission line. OMGC proposes to interconnect the Otay Mesa Generating Project (OMGP) to the SDG&E grid. Interconnection of the OMGP to the SDG&E grid will require significant modification of the existing Miguel-Tijuana transmission line and, therefore, an Amendment to Presidential Permit 68. This Environmental Assessment addresses the environmental impacts of the proposed interconnection activities in accordance with NEPA.

OMGC filed an Application for Certification (AFC) for the OMGP with the California Energy Commission (CEC) in August 1999 (99-AFC-5). The AFC is a comprehensive document and the CEC's AFC licensing process is the functional equivalent of an Environmental Impact Report in accordance with the California Environmental Quality Act. The AFC for the OMGP addresses the environmental impacts associated with the power plant and all ancillary facilities including the electrical transmission facilities addressed in this EA. On April 19, 2001, the CEC completed its licensing process and approved OMGC's proposal to construct the power plant.

The proposed modifications to the existing Miguel-Tijuana 230-kV transmission line are required in order to connect the OGMP to the SDG&E electrical grid without causing a reliability problem on the existing electrical system. The environmental impacts associated with construction and operation of OGMP are addressed in this EA. Because the CEC has already approved construction of OGMP after completing an extensive environmental review during the AFC process, DOE will summarize and incorporate by reference in this EA the findings contained in the CEC's environmental review document.

1.2 SCOPE OF PROJECT

The proposed project consists of the following components:

- Construction of a new 230 kV switchyard on the northeast portion of the 46-acre Otay Mesa Generating Plant Site;
- Construction of a short electrical transmission interconnection between the plant switchyard and the existing 230 kV double circuit Miguel-Tijuana line; and
- Reconductoring of the existing Miguel-Tijuana 230 kV line between the interconnection point and the existing Miguel substation approximately 9 miles north of the interconnection point.

These facilities are necessary to interconnect the proposed Otay Mesa Generating Project to the SDG&E grid based on interconnection studies performed by SDG&E and review by the California Independent System Operator (Cal ISO).

The proposed project for the purposes of this EA includes construction, operation and maintenance, and abandonment of the interconnection related facilities. The transmission line portions of the proposed project would be constructed and operated by SDG&E, which is a publicly regulated utility. The new 230 kV switchyard would be constructed either by SDG&E or OMGC and would be operated by SDG&E.

1.3 PURPOSE AND NEED

NEPA requires federal decision makers to consider the environmental impacts of federal actions. In this proceeding, the federal action is the issuance (or denial) of an Amendment to existing Presidential Permit 68. The “Purpose and Need” for the proposed action is as follows: OMGC proposes to build a nominal 510 MW, state of the art, natural gas fired power plant on East Otay Mesa. There has not been a power plant sited in San Diego County in over 20 years, during which San Diego’s electrical demand (i.e., load) has increased. San Diego is a growing region in an area with limited power import capability. The California ISO believes that the import-constrained San Diego area system today needs some 200 MW of added generation or power import capacity to meet ISO reliability criteria. The OMGP is in direct response to the critical need in San Diego for additional capacity.

The OMGP proposes to be connected to the SDG&E grid in order to transmit and distribute the generated electricity. Interconnection studies performed by SDG&E determined that interconnection of the OMGP to the SDG&E grid would require reconductoring part of the existing Miguel-Tijuana line between the new plant and the Miguel substation. No other feasible alternatives for interconnecting the OMGP to the SDG&E grid have been identified.

Issuance of an Amendment to Presidential Permit 68 by DOE would allow SDG&E to modify the Miguel-Tijuana line and interconnect the OMGP to the SDG&E grid.

Denial of the Amendment by DOE would mean that the Miguel-Tijuana line could not be modified and the OMGP would not be able to interconnect to the SDG&E grid via the Miguel substation. Denial of an Amendment to the permit (No Action Alternative) would maintain the status quo.

1.4 AGENCY ACTIONS

1.4.1 Federal

1.4.1.1 U.S. Department of Energy

The proposed modification of the existing 230 kV Miguel-Tijuana transmission line to allow the OMGP to interconnect to the SDG&E grid would require DOE to approve and issue an Amendment to existing Presidential Permit 68 (PP-68). DOE’s decision must consider whether or not the action is consistent with the public interest, including consideration of environmental and electric reliability issues. DOE’s conditions for PP-68 include compliance with California Public Utilities Commission (CPUC) General Order No. 95. DOE is responsible for ensuring that the National Environmental Policy Act is complied with for actions involving modification of the Miguel-Tijuana line. The OMGP includes proposed

modifications to the Miguel-Tijuana line that fall under the scope of DOE's NEPA review, i.e., the plant switchyard, the short 0.1-mile interconnect, and the approximately 9.05 miles of reconductoring to be performed along the Miguel-Tijuana line. The California Energy Commission (see Section 1.4.2.1) has the responsibility for ensuring that the overall project complies with the California Environmental Quality Act and the Warren-Alquist Act.

1.4.1.2 U.S. Fish and Wildlife Service

The U.S. Fish and Wildlife Service is responsible for ensuring that the Federal Endangered Species Act is complied with. SDG&E has an existing Subregional Natural Community Conservation Plan (NCCP) (SDG&E, 1995) which addresses compliance procedures for all state and federal species of potential concern for this project (along the existing Miguel-Tijuana line) except the federally listed quino checkerspot butterfly. The EPA Region IX has initiated Section 7 Consultation with the U.S. Fish and Wildlife Service regarding potential quino checkerspot butterfly impacts associated with the OMGP as part of the CEC licensing process for that project (including transmission line reconductoring to the Miguel substation). The U.S. Fish and Wildlife Service issued a Biological Opinion on November 22, 2000. Reconductoring of the Miguel-Tijuana line will require compliance with the conditions specified by the U.S. Fish and Wildlife Service relative to protection of the quino checkerspot butterfly. Refer to Section 4.2.1.5 (Wildlife) and Appendix A for more information.

1.4.2 Other Agency Actions

1.4.2.1 California Energy Commission

OMGC submitted an Application for Certification (AFC) (99-AFC-5) to the CEC in August 1999 for a power plant and other ancillary service facilities. The AFC addresses the entire OMGP, including the switchyard, short interconnection to the Miguel-Tijuana line, and the proposed reconductoring of the Miguel-Tijuana line up to the Miguel substation. The CEC approved construction of the OGMP on April 18, 2001. DOE has the authority to approve the proposed modificationf to the Miguel-Tijuana transmission line.

1.4.2.2 California Department of Fish and Game

The California Department of Fish and Game (CDFG) is responsible for ensuring compliance with the California Endangered Species Act. CDFG is coordinating with the USFWS and CEC to ensure compliance as part of the CEC licensing process for the OMGP, which includes the proposed modifications to the Miguel-Tijuana 230 kV transmission line.

1.4.2.3 State Historic Preservation Office

DOE (lead federal agency) in consultation with the State Historic Preservation Officer (SHPO) and the Advisory Council on Historic Preservation is responsible for compliance with the National Historic Preservation Act. Compliance includes identification of potentially affected significant resources and, as applicable, development of appropriate avoidance and mitigation measures, including implementation of procedures for dealing with any cultural resources discovered during construction activities.

1.4.2.4 San Diego County

San Diego County, in conjunction with the CEC, is reviewing the consistency of the OMGP, including the proposed 230 kV switchyard addressed in this EA, with County policies and design guidelines. The County's primary planning document pertaining to the OMGP/switchyard is the East Otay Mesa Specific Plan (San Diego County, 1994). The primary County compliance items are related to land use compatibility and zoning consistency, site design, grading, and drainage. The County's review and approval process considers the proposed 230 kV switchyard to be part of the overall OMGP. The San Diego County Board of Supervisors voted unanimously on April 12, 2000 recommending that the CEC approve the OMGP.

The CEC's licensing decision for the OMGP, including Conditions of Approval, will consider input from San Diego County.